



City of LaVerkin

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LAVERKIN CITY WATER BOARD MINUTES

Wednesday, January 27, 2016 3:00 p.m.

435 North Main Street, LaVerkin, UT

Present: Anna Andregg, Richard Prince, Mark Mangum, Mayor Kerry Gubler, Kyle Gubler, Derek Imlay, Doug Gubler, Troylinn Benson and Christy Ballard.

Alan Olsen has been excused.

I. **Call to Order** by Mayor Kerry Gubler at 3:04pm.

II. **Council appointment of new board member**

Mayor Gubler reported that Virgil Bice was on the Bench Canal Company and stayed through the transition up to this year, approximately 40 years. Virgil was previously presented with a certificate of appreciation for his service to La Verkin City.

Richard Prince was approved by the City Council to fill the vacancy on the Board. He served on the Water Board previously during the transition from the Canal Company.

III. **Chair Election**

This will be an annual appointment.

Motion was made by Anna Andregg to nominate Richard Prince as the Water Board Chairman and Mayor Kerry Gubler as Chairman Pro-Tem, second by Kyle Gubler. Andregg-yes, Prince-yes, Mangum-yes, Kyle Gubler-yes, Doug Gubler-yes, Imlay-yes. Motion carried unanimously.

IV. **Approval of Minutes:** October 28, 2015 minutes.

Motion was made by Anna Andregg to approve the October 28, 2015 minutes as written, second by Derek Imlay. Mangum-yes, Prince-yes, Andregg-yes, Kyle Gubler-yes, Doug Gubler-yes, Imlay-yes. Motion carried unanimously.

V. **Reports:**

The financial report was handed out.

Kyle attended the WCWCD Regional Water Supply Advisory Committee meeting. The main discussion was that cities are not setting aside money to repair and replace the infrastructure. The discussion was geared toward culinary water but secondary water systems have the same issue. Mr. Thompson suggested a ten cent per 1,000-gallon rate increase per year until it reaches \$3.00. They are also considering matching the inflation rate, which is 2.7%. They also discussed fees for new developments.

Mr. Thompson wanted everyone to understand it will not be a tax rate increase but a fee increase and pointed out Southern Utah has some of the lowest water rates in the country. La Verkin's rates are the middle of the scale for Washington County.

Kyle mentioned La Verkin has the same issue with not having the funds to replace old infrastructure. Our secondary system is about 30 years old; the culinary is approximately 60-70 years old.

Ron Thompson mentioned he would like to meet with each city in the county to discuss this concern.

VI. **Business:**

A. Discussion and possible action to recommend an increase to the secondary water rates.

Derek passed out information pertaining to his report.

Derek reported in 2010 a study was done on the City's secondary water system. The recommendation then was the City look at increasing the water rates by 3.5% annually to try to maintain the system. One of the handouts charts different percentage increase amounts.

He compared the current rates with the recommended 3.5% rate increase for the different types of rental agreements as well as the different shareholder agreements.

He also had the total annual dollar amount each percentage increase would bring into the budget to help maintain and/or replace the infrastructure.

The final numbers were not correct, they were figured on a 12-month charge instead of a 9-month charge. Derek will fix them and bring the Board members a correct copy.

Kyle pointed out the culinary water fund has been subsidizing the secondary water fund for quite some time so it would be hard to get an actual dollar amount for each fund.

The unspent money rolls over each year, legally it cannot go into another fund without notification and a budget amendment.

No irrigation projects are planned for the near future, just system maintenance.

Kyle mentioned the accountant spoke with the Directors about several funds and let them know that the Drainage Fund is in the negative.

Doug said when there are any projects involving the road, the City either moves the irrigation into the road or installs it if they don't have irrigation.

Mayor Gubler commented moving the old irrigation line from back yards into the street is a large project that will need to be done eventually.

Kyle stated when the City does decide to improve the system, in order to be bonded we will have to show we have the ability to pay it back. Right now, we can't show that.

Mark asked what was covered under several different line items in the Water & Irrigation Fund.

Kyle and Derek went over what constituted those different line items.

Richard mentioned irrigation is a real benefit and people should pay for it.

Motion was made by Anna Andregg to recommend a 3.5% increase to the secondary water rates, second by Kyle Gubler. Andregg-yes, Imlay-yes, Kyle Gubler-yes, Prince-yes, Mangum-yes, Doug Gubler-yes. Motion carried unanimously.

Mayor Gubler pointed out no one likes to raise rates but this will save our citizens money in the long-run and improve our secondary water system. This item will be on the city council agenda for the second meeting in February.

VII. Public Concerns for Board Consideration:

No comment.

VIII. Board members concerns:

None.

IX. Adjourn:

Motion was made by Anna Andregg to adjourn, second by Derek Imlay. Kyle Gubler-yes, Mangum-yes, Prince-yes, Doug Gubler-yes, Imlay-yes, Andregg-yes. Motion carried at 3:54pm.

Minutes were done by Christy Ballard.


Chairman

